

July 2015

## Morton County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

A total of 7 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Morton County economy.<sup>1</sup> These 7 sectors have a total direct output of approximately \$82 million and support 477.2 jobs in Morton County. Running the model for all 7 sectors simultaneously produces the following results:

**Agriculture Contribution in Morton County**

Impact Type <sup>2</sup>	Employment	% of Total Employment	Total Value Added <sup>3</sup>	% of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	% of Gross Regional Product
Direct Effect	477.2	23%	\$11,037,391	11%	\$82,126,381	80%
Indirect Effect	88.9	4%	\$6,480,771	6%	\$13,496,580	13%
Induced Effect	47.5	2%	\$3,360,901	3%	\$6,105,026	6%
Total Effect	613.7	30%	\$20,879,063	20%	\$101,727,987	99%

As shown in the above table, agriculture, food, and food processing supports 613.7 jobs, or 30% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$102 million, roughly 99% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 7 agriculture, food, and food processing sectors is approximately \$21 million, or 20% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 20% of the total economy.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:  
[https://implan.com/index.php?option=com\\_content&view=category&id=19](https://implan.com/index.php?option=com_content&view=category&id=19)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value Added = Labor Income + Indirect Business Taxes + Other Property Type Income

<sup>4</sup> GRP = Final Demand of Households + Governments Expenditures + Capital + Exports - Imports - Institutional Sales

<sup>5</sup> Output = Intermediate Inputs + Value Added

In the top ten by employment, Grain farming is the top employer in the agriculture industry with 293.7 employees. This table also shows the amount of jobs that are created by the agriculture industry in Morton County.

Sector Description:	Total Employment	Total Output
Grain farming .....	293.7	\$58,752,483
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	132.7	\$19,646,201
Animal production, except cattle and poultry and eggs .....	29.7	\$1,718,841
Wholesale trade .....	27.5	\$5,644,187
All other crop farming .....	15.7	\$1,141,733
Truck transportation .....	9.0	\$1,243,695
Monetary authorities and depository credit intermediation .....	8.9	\$1,317,720
Maintenance and repair construction of nonresidential structures .....	7.9	\$973,567
Limited-service restaurants .....	5.3	\$307,753
Accounting, tax preparation, bookkeeping, and payroll services .....	5.2	\$335,520

The Grain farming industry directly contributes approximately \$59 million to Morton County's economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

Sector Description:	Total Employment	Total Output
Grain farming .....	293.7	\$58,752,483
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming .....	132.7	\$19,646,201
Wholesale trade .....	27.5	\$5,644,187
Animal production, except cattle and poultry and eggs .....	29.7	\$1,718,841
Owner-occupied dwellings .....	0.0	\$1,486,437
Monetary authorities and depository credit intermediation .....	8.9	\$1,317,720
Truck transportation .....	9.0	\$1,243,695
All other crop farming .....	15.7	\$1,141,733
Insurance carriers .....	4.0	\$1,055,709
Maintenance and repair construction of nonresidential structures .....	7.9	\$973,567

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture sector and the output they contributed to Morton County's economy.

[illegible]

All 105 counties in Kansas have IMPLAN models with an agriculture contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Kansas, the retail sector was omitted.